

Message Text

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PAGE 01 LISBON 05306 181608Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 /063 W
-----074088 181614Z /43
P 181533Z JUL 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC PRIORITY 6354

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E.O. 11652: N/A
TAGS: EINV PO
SUBJECT: AMERICAN INVESTMENT PROBLEMS: APPLIED MAGNETICS

REF: (A) SMITH/OKUN TELECON 7/17/78, (B) LISBON 4718
(C) LISBON 4267

1. EMBASSY HAS CONTINUED TO URGE THAT MINISTRY OF FINANCE AND BANCO ESPIRITO SANTO AGREE ON A COMMON POSITION WHICH IS ESSENTIAL FOR A RESUMPTION OF DISCUSSIONS TO RESOLVE LONG-STANDING IMPASSE OVER APPLIED MAGNETICS' LOAN AND TAX ISSUES. WE MET WITH MINISTRY OF FINANCE DIRECTOR GENERAL OF TREASURY DE MELO JUNE 29, FOLLOWED UP BY PHONE CALLS JULY 12, 13, AND 17, AND MET AGAIN JULY 18. WE HAVE IMPRESSED UPON DE MELO OUR DESIRE TO HEAD OFF POSSIBLE ESCALATION OF THE ISSUE TO U.S. CONGRESS BY APPLIED MAGNETICS. DE MELO INFORMED US MINISTRY WROTE TO BANCO ESPIRITO SANTO JUNE 15 AND RECEIVED ON JULY 7 A RESPONSE DATED JULY 3. MINISTRY HAS FORWARDED THAT LETTER TO REPARTICAO DAS FINANÇAS (GOP TAX ASSESSING AND COLLECTING AUTHORITY) FOR ITS VERIFICATION OF DATA RELATING TO BACK TAXES DUE APPLIED MAGNETICS LDA.

2. DE MELO EXPRESSED UNDERSTANDING OF OUR URGENCY AND AGREED TO ENDEAVOR TO ACCELERATE A RESPONSE WHICH, HOPE-
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PAGE 02 LISBON 05306 181608Z

FULLY, WOULD ENABLE APPLIED MAGNETICS AND GOP TO RESUME DISCUSSIONS.

3. EMBASSY WILL FOLLOW UP WITH DE MELO JULY 25 AND REPORT RESULTS TO DEPT.
BLOOMFIELD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: LISBON
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780749/aaaaborq.tel
Line Count: 61
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 31355171-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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